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# California's SCHIP Program: The Healthy Families Program

Presentation for  
“SCHIP: The Basics”  
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# California's Healthy Families Program (HFP)

- Opened for enrollment: July 1998
- Serves children at income up to 250% FPL
- Separate program built on top of Medicaid (called "Medi-Cal" in California).
- Children receive comprehensive health, dental and vision coverage.
- Family pays a monthly premium; amount varies by income level.

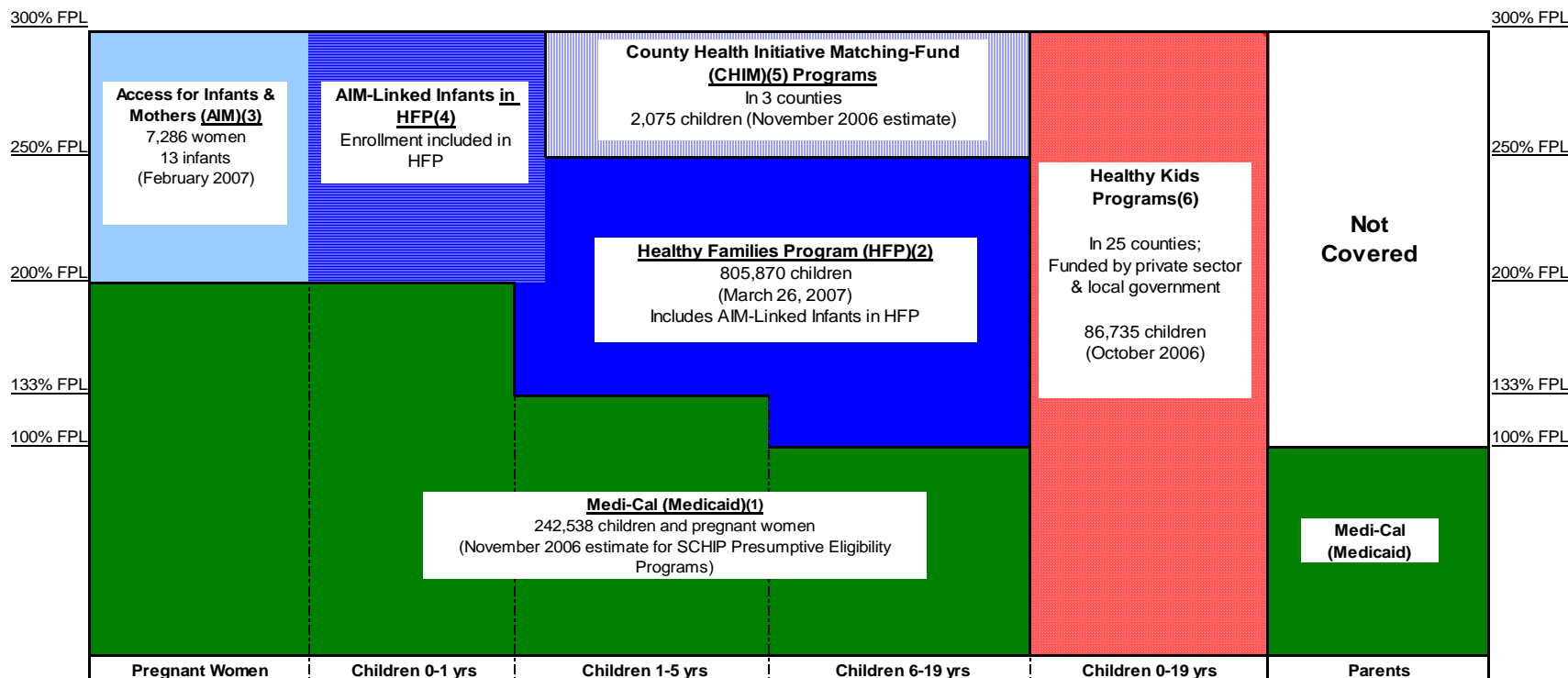
# California's Healthy Families Program (HFP)

- One mail-in application for both Medi-Cal and HFP so families may apply for either program at the same time.
- In process of modifying electronic application to allow public access.
- Uses contracted administrative vendor for eligibility determination and enrollment.
  
- Managed care model
  - Uses commercial HMOs, EPOs and public plans
  - 24 health plans, 6 dental plans and 3 vision plans
    - In 4 large counties, members can choose from up to 7 health plans
    - In 3 medium size counties, members can choose from 3 or more health plans
    - 99.7% of subscribers have choice between at least 2 health plans

## California's Family Health Insurance Programs (March 2007)

**BLUE** - Over 800,000 children are in State Children Health Insurance Program (SCHIP)-federally funded programs overseen by the California Managed Risk Medical Insurance Board.

**GREEN** - Over 200,000 children are in SCHIP-funded Medi-Cal (Medicaid) Program, overseen by the California Department of Health Services.



1) Medi-Cal, the State's Medicaid program, receives a 50% federal Title XIX match. In addition, there are programs within Medi-Cal, such as Presumptive Eligibility, funded with Title XXI SCHIP Funds.

2) The Healthy Families Program (HFP) receives a 2 to 1 federal State Children's Health Insurance Program (SCHIP) fund match.

3) AIM program cost for pregnant women is funded with State Proposition 99 funds matched by Federal Title XXI SCHIP Funds as approved in the federal State Plan Amendment, effective July 1, 2004. Title XXI also funds some pregnant women in Medi-Cal.

4) Infants born to AIM moms enrolled on or after July 1, 2004 are automatically enrolled in HFP at birth. Infants born to AIM moms enrolled prior to July 1, 2004 remain in AIM up to age 2. In HFP, the State Plan Amendment to allow MRMIB to claim Title XXI funding for infants between 250% to 300% FPL has been approved by the Federal government.

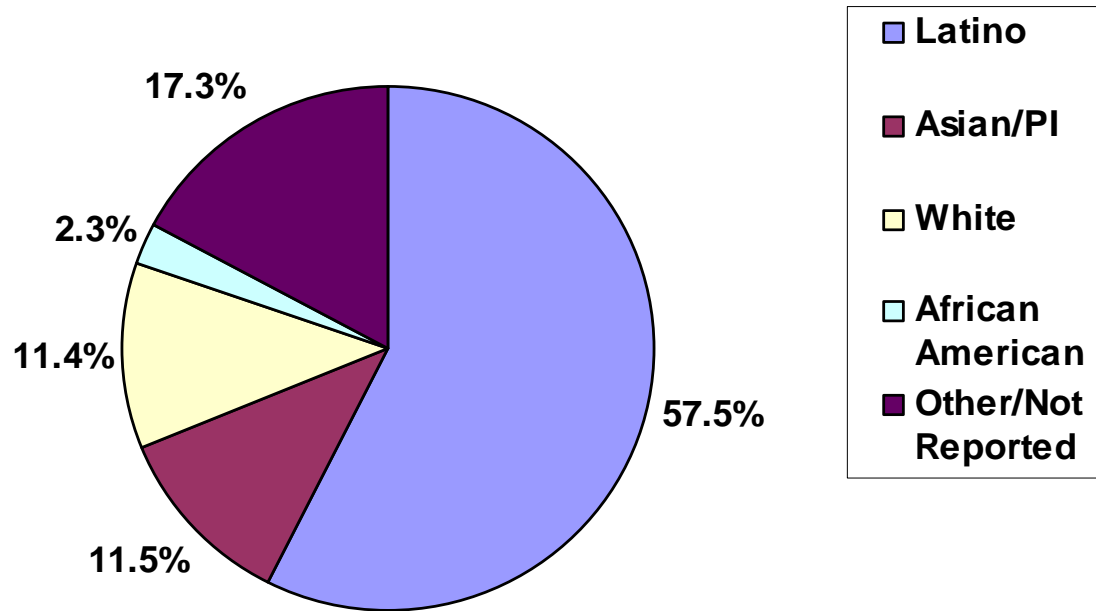
5) CHIM, created by AB 495 (2001), was approved by the Federal government for SCHIP-eligible children using Title XXI SCHIP funding for operation in the counties of Santa Clara, San Francisco, Alameda, and San Mateo. All but Alameda are currently in operation.

6) The following counties have programs for children ineligible for full-scope Medi-Cal and Healthy Families: Alameda, Santa Clara, San Francisco (0-24 yrs old), Riverside, San Mateo (up to 400% FPL), Los Angeles, San Bernardino, San Joaquin, Santa Cruz, Kern, San Luis Obispo, Santa Barbara, Napa, Solano, Sonoma, Yolo, Fresno, Tulare, Colusa, Sacramento, Yuba, Orange, Merced, Kings and El Dorado.

FPL (Federal Poverty Level) change annually on April 1st and is based on Federal annual income guidelines which include family size. FPLs change annually on April 1st. The FPLs effective 4/1/07 for 100% FPL is \$13,692 for a family of two persons, \$17,172 for three persons, \$20,652 for four persons, and increases for larger family sizes.

# HFP Demographics

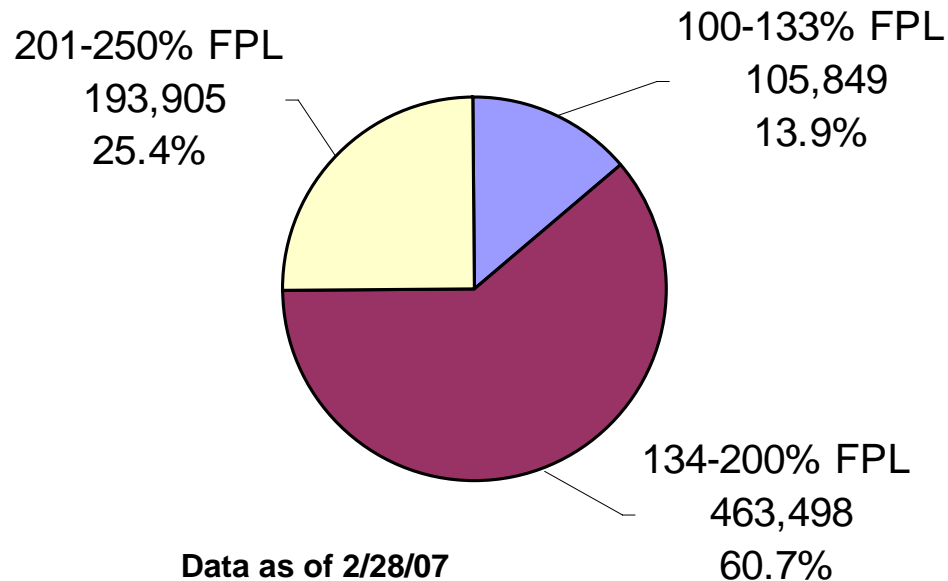
## Subscribers Ethnicity



Data as of 2/28/07

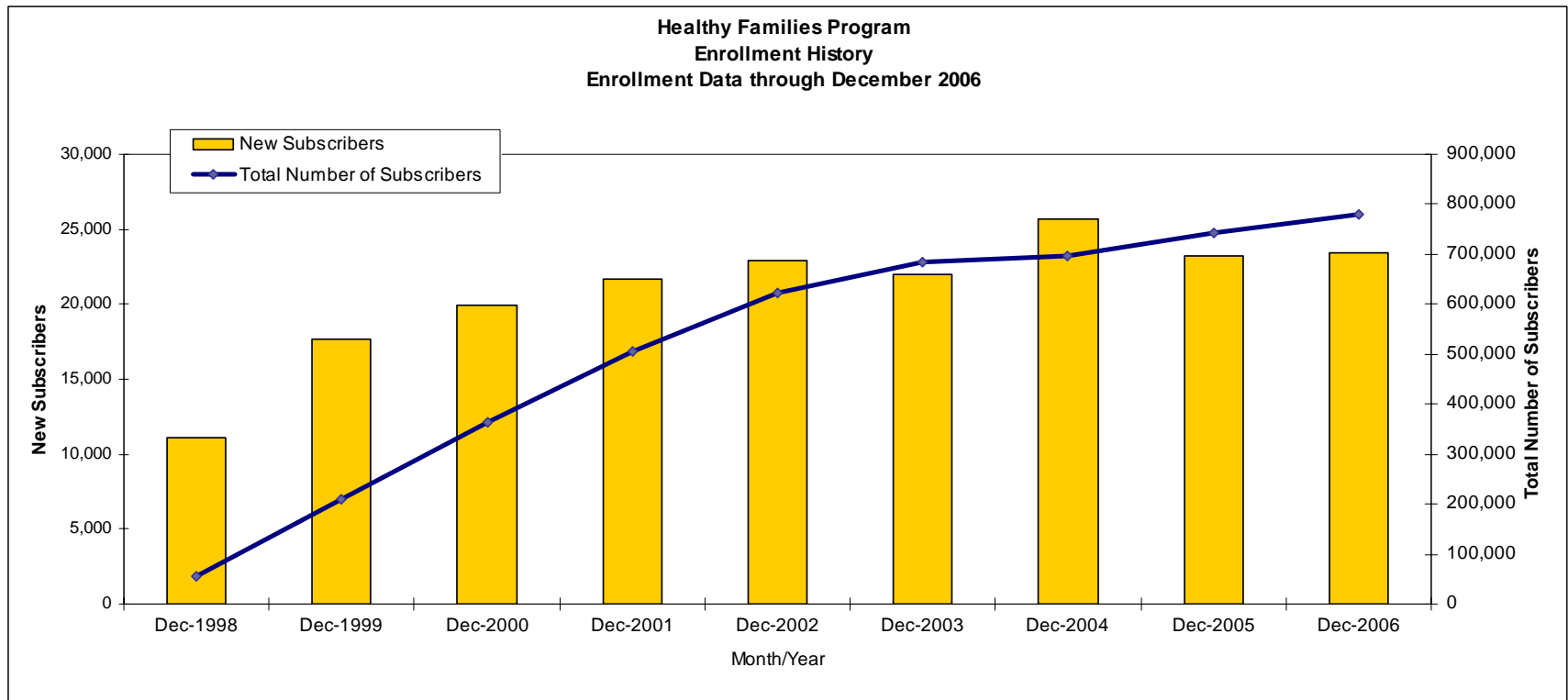
# Income of California's SCHIP Subscribers

## California SCHIP Subscribers' Income Based on Federal Poverty Level (FPL)



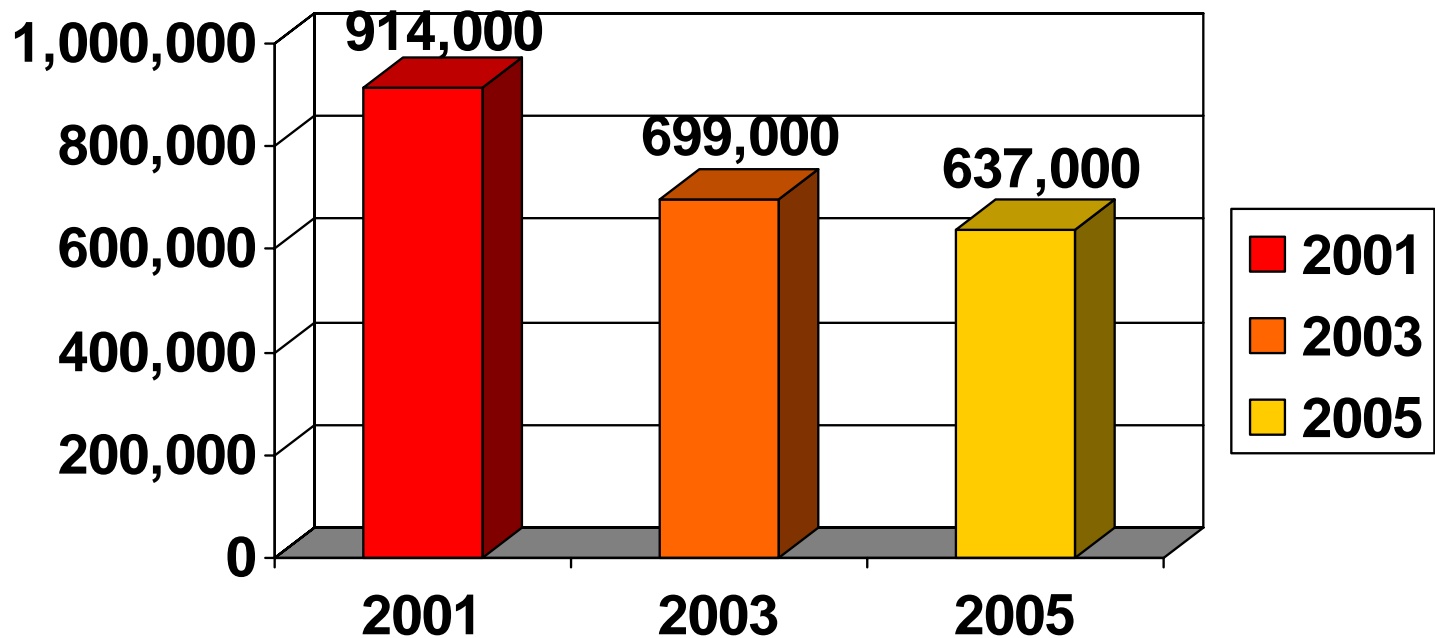
Average Income of California  
SCHIP Subscribers:

163% FPL



Note: “Total” numbers are calculated by accounting for new subscribers and those who dropped coverage.

**Healthy Families Program  
Uninsured Children in California, 2001-2005  
Under age 19 and under 300% federal poverty level**

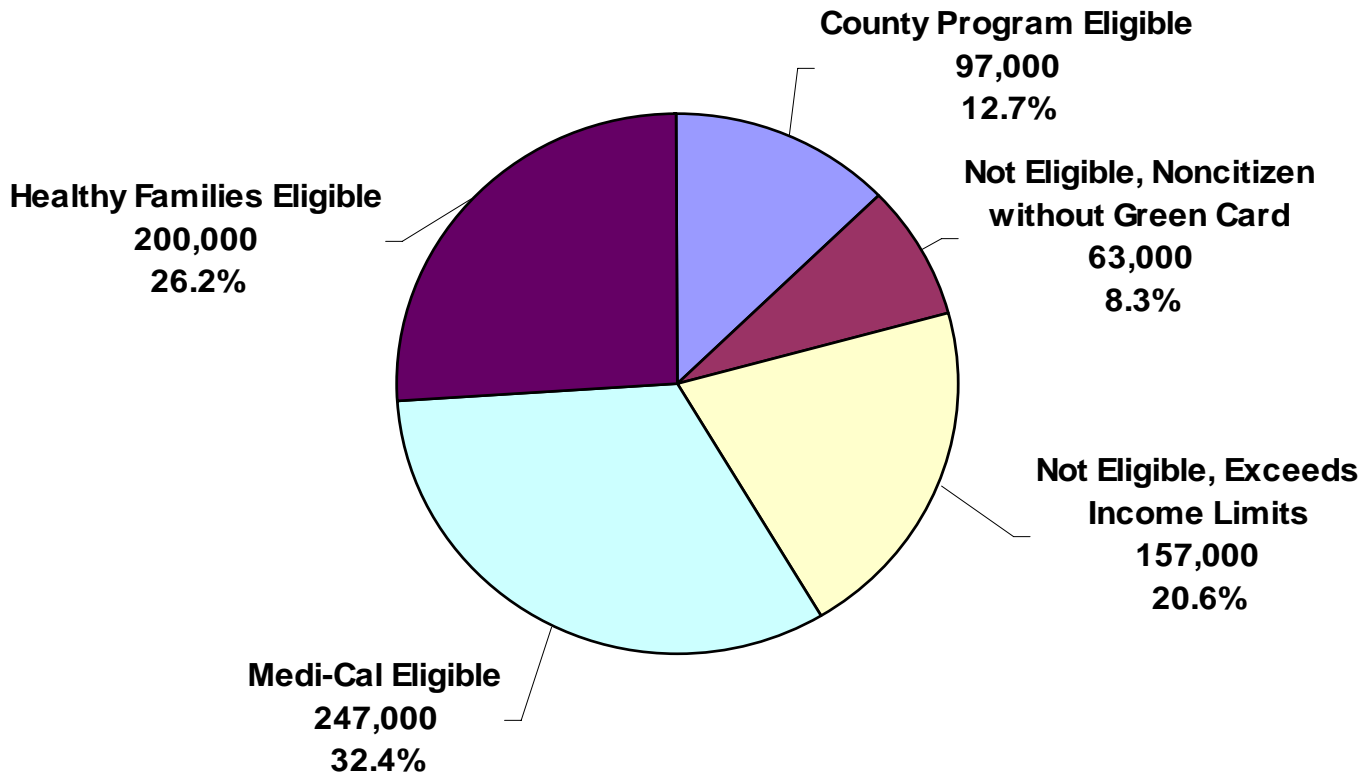




# Healthy Families Program

## 763,000 Children Uninsured in California

(California Health Information Survey, UCLA; 2005 data)



Note: Numbers may not add due to rounding

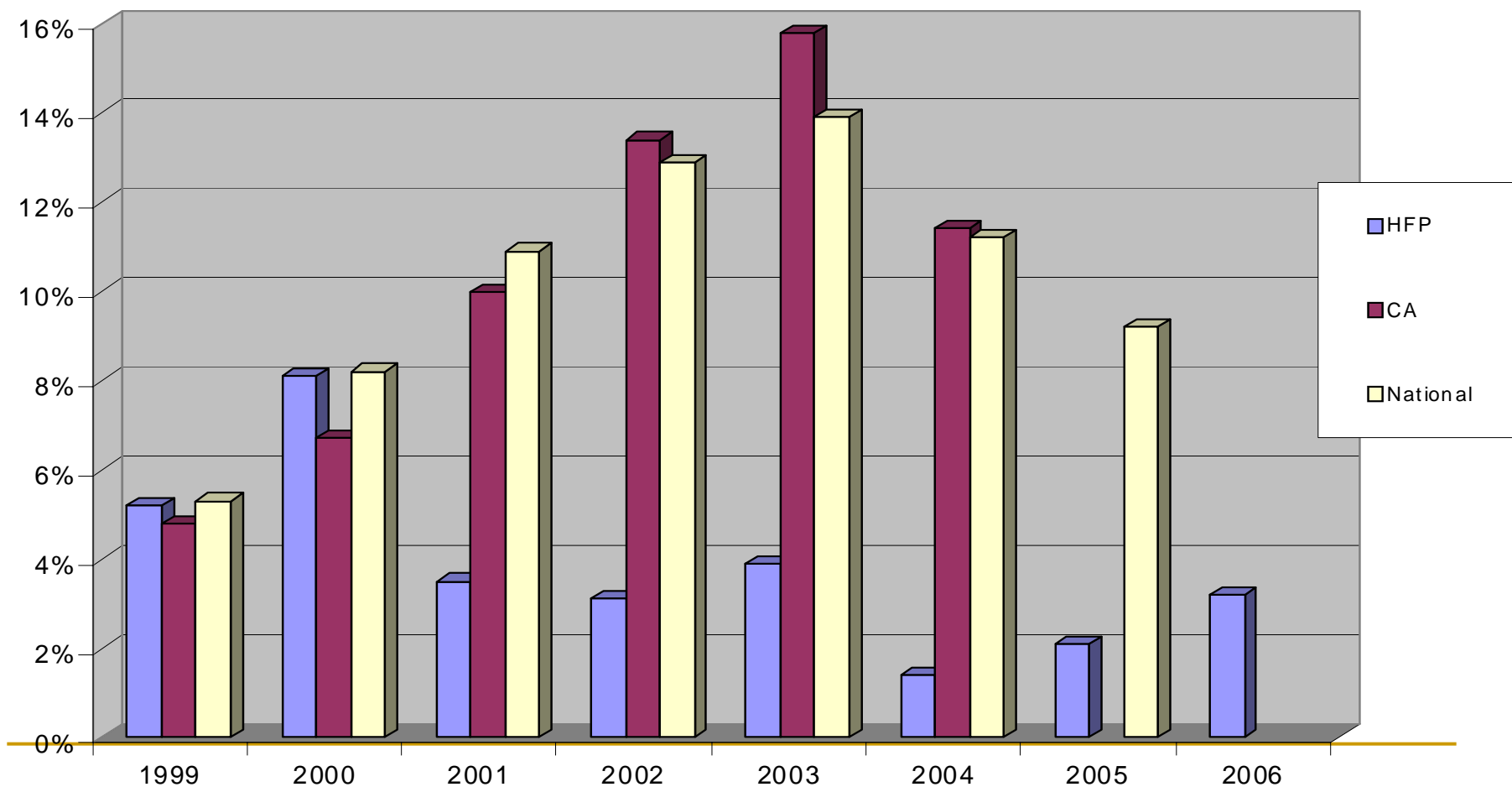
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# **Healthy Families Program Efficiencies**

# Healthy Families Program

## Rate negotiation model results in controlled costs

Percent Changes in Per Member Per Month (PMPM) Costs



# Enrollment/Eligibility

- ❑ Use Private Vendor for program administration
- ❑ Vendor less expensive
  - ❑ Annual costs \$77 per HFP member
- ❑ Vendor paid for enrollment, not processing applications, to provide incentive for retention
- ❑ 98% Contractually established performance requirements with financial penalties. Highest standard nationally in Medicaid and SCHIP.
  - ❑ Processing timeframes
  - ❑ Accuracy
- ❑ Extensive customer service
  - ❑ Call center staff available in 11 languages
  - ❑ Materials produced in 5 languages
  - ❑ Websites in English and Spanish
  - ❑ On-line training for application assistors
  - ❑ Electronic application available to public in 2008
  - ❑ Frequent reminders for families on enrollment and billing

# Enrollment/Eligibility (continued)

- ❑ Maintain web-based physician net-work services where families can search for doctors by:
  - County
  - Travel time
  - Plan(s)
  - Provider:
    - name
    - gender
    - specialty
    - language, and/or
    - location

# Effect of HFP Coverage on Health Status

- Conducted a research project examining effect of coverage on health status
- Article on the study published in the Journal of Pediatrics 2006: 149: 354-61
- Tracked changes in health status in a cohort of children at enrollment and for two years of enrollment (2001, 2002, 2003)
- The tool used assessed physical and psychosocial health
- Surveyed families in 5 languages:  
English, Spanish, Vietnamese, Korean, and Chinese

# Outcome Study Results

- Dramatic, sustained improvements in health status for the children in the poorest health.
- Significant sustained increases for these children in paying attention in class and keeping up in school activities.
- Meaningful improvement in health status for the population at large.
- Increased access to care and reduced foregone health care for children in the poorest health and the population at large.
- A lack of significant variation by race and language in reports of noforegone care--the most significant variable associated with access.

# Quality Assessment

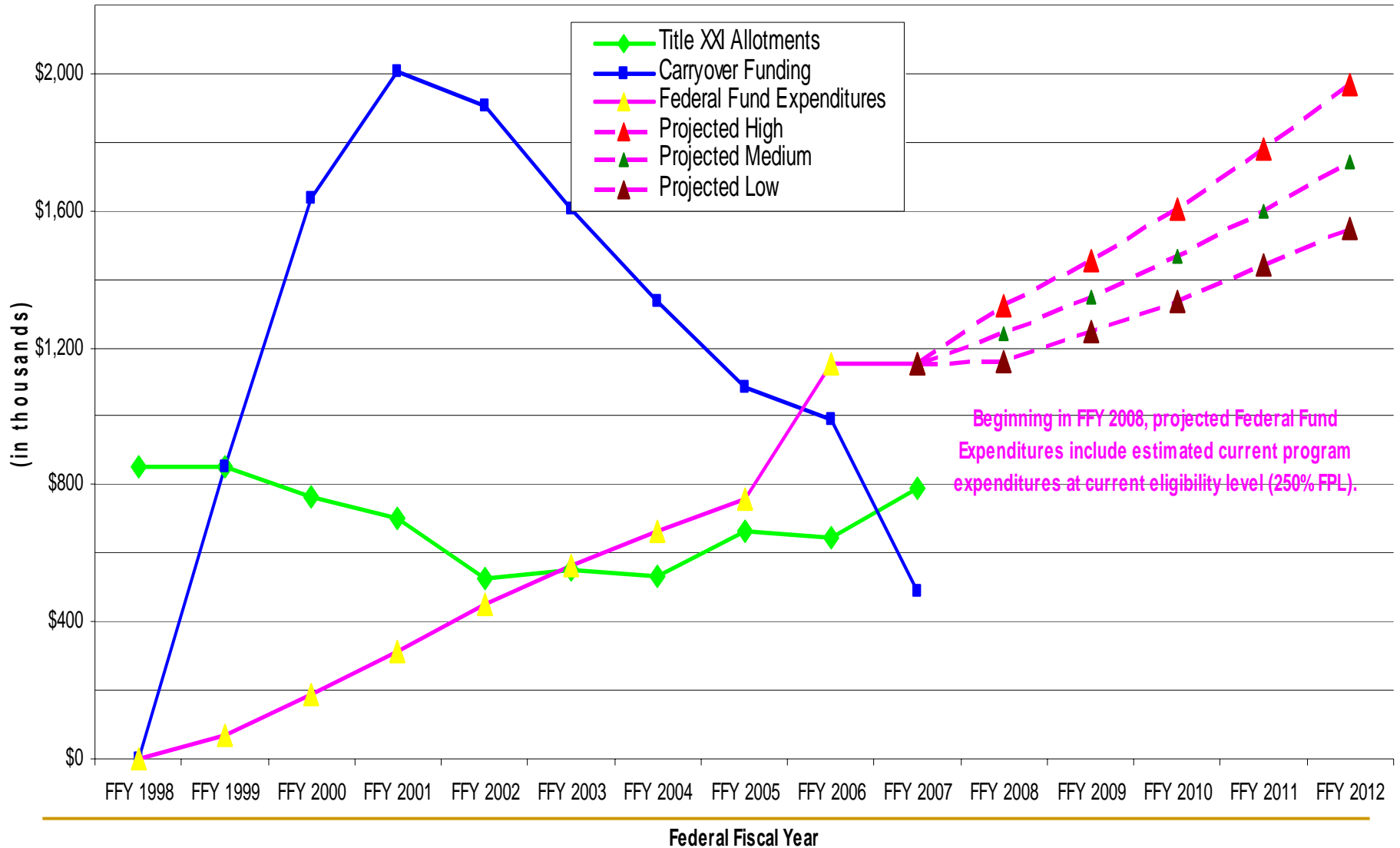
- Plans required to submit audited data on HEDIS indicators (health and dental)
  - Have terminated a plan for inadequate performance
- Annual consumer satisfaction survey (health and dental plans)
- Plans required to provide services in language of subscriber and to translate plan materials into 5 languages
  - Also required to periodically review the needs of their HFP population regarding cultural and linguistic services and report progress annually



# SCHIP Funding Reauthorization & California's Needs

- **Preliminary findings from a pending California HealthCare Foundation report show California needs:**
  - ❑ \$7 to \$8 billion over 5 years vs current \$4 billion level to maintain current eligibility level (250% FPL)
  - ❑ State wants to expand to 300% FPL. This would cost an additional \$100 million per year or \$500 million for 5 years in FFP.
  - ❑ \$35 billion nationally for SCHIP would provide CA sufficient funding.

**Comparison of California's SCHIP Allotments, Carryover Funding and Expenditures**  
 Allotments, Carryover Funding and Expenditures are based on the Federal Fiscal Year  
 (October 1st through September 30th)



# Projected Costs for California's SCHIP-Funded Programs

## Year-by-Year Federal Costs Based on Current Eligibility Rules

(Numbers in Millions, May Not Add Due to Rounding)

Source: "Funding California's SCHIP Coverage: What Will it Cost?"  
 California HealthCare Foundation; Harbage, Chan and Evans; March 21, 2007 (working draft)

		<b>FFY 08</b>	<b>FFY 09</b>	<b>FFY 10</b>	<b>FFY 11</b>	<b>FFY 12</b>	<b>Total</b>
<b>High</b>	Total	\$ 1,323	\$ 1,457	\$ 1,607	\$ 1,778	\$ 1,965	\$ 8,130
	Over Baseline	\$ 532	\$ 666	\$ 816	\$ 987	\$ 1,174	\$ 4,175
<b>Mid</b>	Total	\$ 1,240	\$ 1,348	\$ 1,467	\$ 1,601	\$ 1,744	\$ 7,399
	Over Baseline	\$ 449	\$ 557	\$ 676	\$ 810	\$ 953	\$ 3,444
<b>Low</b>	Total	\$ 1,159	\$ 1,245	\$ 1,337	\$ 1,439	\$ 1,546	\$ 6,726
	Over Baseline	\$ 368	\$ 454	\$ 546	\$ 648	\$ 755	\$ 2,771

# Managed Risk Medical Insurance Board (MRMIB)

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